

Attorney Docket No.: 242/300

In the Office Action, claims 1-15 were rejected under 35 U.S.C. § 103 as obvious over U.S. Patent No. 5,640,002 (Ruppert et al.) in view of U.S. Patent No. 5,457,307 (Dumont '307) and U.S. Patent No. 5,992,570 (Walter et al.). Claims 16-39 were rejected under 35 U.S.C. § 103 as obvious over Ruppert et al. in view of Walter et al., Dumont '307, and U.S. Patent 5,540,301 (Dumont '301).

The specification describes a barcode reading system with a unique division of tasks: scanning is performed in a portable unit, the portable unit communicates with a self-checkout station, and payment is accepted by the self-checkout station. This particular division of tasks provides unique benefits that were previously not provided.

Portability of the scanning function is very important in self-checkout systems, so that each item will not have to be handled multiple times (e.g., by the shopper at the shelf, the shopper at the checkout counter, the checkout clerk, and the bagger). In contrast, portability of the payment-accepting function is much less important because the customer only pays once on their way out of the store.

The important thing for payment-accepting is flexibility. For example, a customer may want to pay with cash, a credit card, or a debit card. A customer may even want to get cash back at checkout. It would be difficult, if not impossible, to implement this degree of flexibility in a portable payment-accepting unit. Indeed, none of the cited prior art self-checkout systems with portable scanning could provide this flexibility.

By providing portable scanning and fixed self-checkout, the embodiments described in the specification combine the benefits of portable scanning with maximum flexibility at checkout. They enable all services that are normally done by a cashier to be done by the customers themselves, thereby providing true self-service with full functionality at checkout.

This unique division of tasks does not exist in Ruppert, where scanning and payment-accepting are both implemented in the portable station (see Ruppert at FIGS. 15 and 16, and col. 16, line 58 – col. 17, line 15). Because the function of accepting payment is implemented in the portable unit, every portable unit in Ruppert must include payment-accepting hardware (such as the magnetic stripe reader and smart card reader mentioned at col. 17, lines 13-15). And this

Attorney Docket No.: 242/300

payment accepting hardware necessarily has limited functionality and cannot, for example, give cash back to the customer.

The unique division of tasks also does not exist in Walter, where scanning and payment-accepting are both implemented in the fixed self-checkout station (see Walter at FIGS. 1 and 2, and col. 3, lines 11-20). Because both of these functions are implemented in the fixed self-checkout station in Walter, the user must handle each item twice – once when he selects the item and puts in his basket, and a second time to scan the item at checkout.

The unique division of tasks also does not exist in Dumont '301. In Dumont '301, the customer selects items using a shopping cart 18, and then wheels the entire shopping cart into a large, fixed checkout apparatus 10. Thus, both scanning and payment-accepting are implemented in the checkout apparatus 10.

The only referenced cited in the Office Action that discloses the transfer of data records corresponding to items selected for purchase is Dumont (5,457,307). However, Applicant submits that the Office Action's reading of Dumont '307 is incorrect. Contrary to the statement at page 7, lines 16-17 of the Office Action, Dumont '307 clearly discloses that the payment-accepting function is performed "by an employee of the store" (Dumont '307 at col. 3, lines 57-58). Thus, Dumont '307 does not disclose a self-checkout station that includes a customer-operated payment-accepting subsystem.

As a result, the unique division of tasks described above also does not exist in Dumont '307, because the portable unit does not communicate with a self-checkout station in Dumont '307, and because payment is not accepted by the self-checkout station in Dumont '307.

Turning now to the claims, claim 1 recites the step of establishing a communication link between two system components: (a) a self-checkout station that includes an automated payment-accepting subsystem and (b) a data storage unit. Claim 1 also recites the step of inputting data records via that communication link. None of the cited references, however, teach or suggest establishing a communication link between a self-checkout station that includes an automated payment-accepting subsystem and a data storage unit. Because none of the cited references teach or suggest that limitation, the Office Action has failed to establish a *prima facie*

Attorney Docket No.: 242/300

case of obviousness. See M.P.E.P. § 2143.03, which states: "To establish *prima facie* obviousness . . . all the claim limitations must be taught or suggested by the prior art. All words in the claim must be considered in judging the patentability of that claim against the prior art." (emphasis added).

Applicant notes that the only art cited against claim 1 that involves inter-system communications is Dumont '307. As explained above, however, Dumont '307 is inadequate as prior art because it fails to teach or suggest that the communication involves a self-checkout station that includes an automated payment-accepting subsystem. Claim 1 is therefore believed patentable over the cited art.

Claim 8 includes the step of linking the portable reading unit to a self-checkout station having a customer-operated automated payment-accepting subsystem. Because none of the cited art teaches or suggests that step (as explained above in connection with claim 1), Claim 8 is believed patentable over the cited art for similar reasons.

The apparatus of claim 16 includes a data input port that inputs a plurality of data records from a portable data storage unit, and a non-portable customer-operated automated payment-acceptor. Dumont '307 is the only cited art that involves inputting records from a portable data storage unit. However, as explained above, payment is not accepted in Dumont '307 using a customer-operated automated payment-acceptor.

Moreover, because each of the cited self-checkout systems that include customer-operated automated payment-acceptor already includes its own scanning device, those devices would require significant modification in order to accept an input from an external portable data storage unit. For this reason, and because no motivation to combine has been identified in the cited references themselves, applicant submits that the obviousness rejection of claim 16 is improper. As the Federal Circuit recently stated in In re Lee, 61 USPQ2d 1430, 1434 (Fed. Cir. 2002), the burden of showing obviousness of the combination can be satisfied "only by showing some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references." Applicant submits that such as showing has not been made. Applicant further submits that the Office Action has used the teachings of the specification of the application as a template, which

Attorney Docket No.: 242/300

is also improper. The obviousness rejection of claim 16 is therefore believed improper for this additional reason.

Claim 25 also requires the self-checkout station to (1) receive information from the portable terminal via the data input port and (2) accept payment from the customer for the selected items using the payment-accepting subsystem. Claim 25 is therefore believed patentable for the same reasons as claim 16.

Claim 33 also requires the self-checkout station to (1) receive information from the portable terminal via the base station and the RF links and (2) accept payment from the customer for the selected items using the payment-accepting subsystem. Claim 33 is therefore believed patentable for the same reasons as claim 16.

Finally, with regard to the Office Actions statement that constructing a formally integral structure in various elements involves only routine skill in the art, applicant notes that they have not merely split a formally integral structure in its parts. In order to implement the portability required by the claims 8, 25, and 33, it is necessary to include additional components (such as batteries and transceivers) that would not be present in the hypothetically split system proposed in the Office Action. Those claims are therefore believed patentable for this additional reason.

A review of the other art of record has failed to reveal anything which, in Applicant's opinion, would remedy the deficiencies of the art discussed above as references against the independent claims herein. Those claims are therefore believed patentable over the art of record.

The other claims in this application each depend on one of the independent claims discussed above and are therefore believed patentable for the same reasons. Since each dependent claim is also deemed to define an additional aspect of the invention, however, the individual reconsideration of the patentability of each on its own merits is respectfully requested.

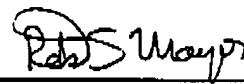
Attorney Docket No.: 242/300

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Respectfully submitted,

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